

TO: School District, CESA, CCDEB, and Independent (2r) Charter School Auditors
LEA Business and Special Education Staff

FROM: Daniel Bush
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RE: Modified Special Education Audit Program for 2014-15

DATE: May 8, 2015

Due to the ongoing transition of DPI licensure and staff reporting to new online systems, the “No Valid License” information provided to auditors as part of the Special Education Audit Program will not be available for audits of the 2014-15 school year. A modified audit procedure involving manual licensure testing will be used. This replaces the licensure testing sections of the audit program. **All other sections of the Special Education Audit Program remain in place.**

With the modified procedure, auditors will be verifying licensure for a sample of LEA staff. LEAs able to document staff who applied for the proper license in 2014-15 but have not yet received it will be deemed in compliance with the licensure requirement.

The modified procedure is in effect for 2014-15 audits only. If you have any questions, please contact me at daniel.bush@dpi.wi.gov or 608-267-9212.

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SPECIAL EDUCATION AUDIT PROGRAM
STATE ID #255.101
MODIFICATION FOR 2014-15 AUDITS

NVL/QC Worksheet: Questioned costs identified under the modified audit procedure or other parts of the Special Education Audit Program should be compiled with the blank NVL/QC Worksheet available under “Chapter 4 Special Education” at http://sfs.dpi.wi.gov/sfs_aud_list. When the worksheet is complete, submit it:

- Via email to dpisfsreports@dpi.wi.gov with “*District – Special Education NVL/QC Worksheet*” in the subject line. The completed Excel workbook must be submitted; do not submit a PDF or scan.
- Via fax to 608-266-2840, attention “Special Education NVL/QC Worksheet.”

The following compliance requirement and audit procedure replaces portions of the DPI Special Education Audit Programs for 2014-15:

- **School Districts, CESAs, and CCDEBs**: Part III section A, “Types of Services Allowed and Unallowed,” compliance requirements 1 through 4 (pp. 2-4).
- **Independent (2r) Charter Schools**: Part III section A, “Types of Services Allowed and Unallowed,” compliance requirements 1 through 3 (pp. 2-4).

Compliance Requirement

Employees and contractors must be appropriately licensed to claim special education categorical aid. An individual’s license must cover the ages and grades of their assignment. Salary, benefits, and contracted service costs eligible for categorical aid must be coded to the proper project code (011) on the general ledger.

Audit Procedure

1. Obtain the district’s Fund 27 general ledger. Please note that the LEA may have a batch system that will only show batch totals on the general ledger. This will require the auditor to obtain a labor distribution or accounts payable report to support the amounts on the general ledger.
2. Select a sample of LEA staff with salary and benefits (objects 100 and 200) expended to the categorical aid eligible expenditure (Fund 27, project 011) accounts from the general ledger. The minimum sample size for the LEA is based upon its enrollment (or, for a CESA or CCDEB, the total number of students with disabilities served by the agency):
 - a. **400 students or less**: 3 staff, at least 1 of whom is instructional (100000-series function) and 1 of whom is support (200000-series function). The 3rd staff member may be either instructional or support.
 - b. **401-800 students**: 6 staff (3 instructional, 2 support, 1 either).
 - c. **801-1,200 students**: 9 staff (5 instructional, 2 support, 2 either).

- d. **1,201-3,000 students:** 12 staff (7 instructional, 3 support, 2 either).
 - e. **3,001-10,000 students:** 18 staff (10 instructional, 5 support, 3 either).
 - f. **10,001-30,000 students:** 24 staff (13 instructional, 7 support, 4 either).
 - g. **More than 30,000 students:** 50 staff (30 instructional, 15 support, 5 either).
3. If the LEA contracted for categorical aid eligible contracted instructional (27E 436000 370 011) or support (27E 21xxxx 310 011) services, select a sample of the individuals performing those services. Sample size is at the auditor's discretion.
4. For each individual selected, obtain the following information from the LEA:
- a. The individual's assignment(s)—position and, if applicable, area and grades. This information would have been provided by most LEAs in the 2014-15 WISEstaff (PI-1202) data collection.
 - i. "Position" is the job worked (e.g. teacher, aide/paraprofessional).
 - ii. "Area" is a specialty or specific disability served (e.g. cross-categorical, learning disabilities).
 - iii. "Grades" are the minimum and maximum grades of students to which the individual is assigned (e.g. K-5, 9-12).

If the individual works multiple assignments, review their licensure for each.

- b. The FTE of their assignment(s). A full-time employee is 1.0 FTE whether working a 9-month or 12-month contract.
- c. One of the following types of licensure documentation, if available, for the individual:
 - i. **For any individual**, an original, photocopy, or scan of a DPI license certificate.
 - ii. **For individuals licensed on or before 6/30/2014**, the ELO Public Directory Search listing (available at <http://tepd1.dpi.wi.gov/licensing/elo-public-search>).
 - iii. **For individuals who applied for a license on or after 7/1/2014 but have not yet received one**, a copy of their completed application for the appropriate license along with proof of payment.

5. For each individual for whom the LEA is able to provide an assignment and one of the types of licensure documentation listed in step 4b, verify whether the license was valid for the 2014-15 school year using the “Valid Reporting and License Codes for Special Education/Pupil Services Staff” chart (available at http://sfs.dpi.wi.gov/sfs_specedn):
 - a. The license must be appropriate for the individual’s actual assignment. WUFAR coding does not document an assignment.
 - b. Certain positions are shown in the “Valid Reporting and License Codes” chart with a checkmark (√). Licenses for these positions are specific to one or more developmental levels. The level must correspond to the grades worked in the individual’s assignment:
 - i. Early Childhood (EC): Pre-K to 3
 - ii. Early through Middle Childhood (EC-MC): Pre-K to 6
 - iii. Middle Childhood through Early Adolescence (MC-EA): 1 to 8
 - iv. Early Adolescence through Adolescence (EA-A): 5 to 12
 - v. Early Childhood through Adolescence (EC-A): All grades

NOTE: The LEA may have a plan under PI 34, Wis. Admin. Code, to deviate slightly from the grades specified above for each developmental level. If the LEA has such a plan, use the grades specified for each level by the plan.

- c. A license with a starting date no later than 6/30/2015 and an ending date no earlier than 9/30/2014 will be considered effective for the 2014-15 school year.

If the LEA is unable to provide the information listed in step 4 for an individual, the licensure requirement for that individual has not been met for the purposes of the audit program. DPI will review their licensure status after all 2014-15 license applications are processed and make a final determination.

6. Record the salary and benefits or contracted service cost of any individual not meeting the licensure requirement on the NVL/QC Worksheet with the appropriate WUFAR function and project. If the LEA makes a correction for ineligible staff, such as by moving a cost from project 011 to project 019, record the costs as corrected and submitted on the LEA’s PI-1505-SE Special Education Annual Report.
7. The auditor may, at their discretion, qualify any audit findings related to this compliance requirement for LEAs that have made a good faith effort to meet the requirement but are unable to meet it due to license processing delays.